

The point where a economy goes from expansion to depression is a business cycle peak while a economy going from recession to expansion is a trough

Real GDP is inflation adjusted GDP

Period between the peak and trough is contraction

Trough to peak is expansion

Contraction is recession or depression depending on time and severity

Recovery is the phase of expansion where the economy reaches the level of the previous peak

After that is prosperity or expansion

It is true that we are in expansion levels if you look at expansion and output, but in terms of unemployment we are still very far behind

Vertical columns in economic charts mean recessions

What happens during a business cycle? What can be done

This Recession was caused by an asset bubble bursting (the housing market bubble, and financial sector bubble bursting) which are the deepest Recessions (the one in Japan lasted 15 years, and TGD was because of the Stock Market crashing)

In many countries economists adopt the rule that a recession is a period of 6 months where output falls

This is too strict because you could have two bad quarters separated by a qtr where it grows .1%

In the US the task is decided by an independent panel of experts at the National Bureau of Economic Research (NBER). They look at a number of factors like production and GDP

Policies undertaken to reduce the severity of recessions are called stabilization policies

Policies that smooth out business booms are called the same

One type is monetary policy which focuses on the amount of money and the interest rate of loaning money

The second type is fiscal policy which is changes in tax policy, government spending, or both

Some Recessions have been must worse than others

The worst was 1929-1933 TGD